Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Text

UNCLASSIFIED

PAGE 01 JAKART 15382 110907Z

21
ACTION EA-10

INFO OCT-01 ISO-00 /011 W
---------- 119494
R 110100Z MAR 75
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 0000

UNCLAS JAKARTA 15382

FOR COLANTONIO FROM HORTUM

FOLLOWING SENT ACTION SAIGON DEC 26, 1974 REPEATED FOR YOUR INFO:

QTE

JAKARTA 15382

FOR BOUDREAU FROM HORTUM

1. ERNIE COLANTONIO ADVISES YOUR COMBINED RECREATION ASSOCIATIN (CRA) MAY I IN POSITION ASSIST US WITH LOAN OF $90,000 HELP ALLEVIATE PROBLEM THIS MISSION RESULTING FROM GOI BAN ON DUTY-FREE VEHICLE IMPORTS.

2. BY WAY OF BACKGROUND: IN JANUARY 1974, GOI LIMITED IMPORTATION OF DUTY-FREE VEHICLES TO MEMBERS OF DIPLOMATIC MISSIONS HOLDING DIPLOMATIC PASSPORTS. TO LIGHTEN BLOW, GOI HAS ALLOCATED PORTION EACH QUARTERLY PRODUCTION OF LOCALLY ASSEMBLED VEHICLES (IMPORTED IN KNOCKED-DONW CONDITION) TO REMAINING MEMBERS OF MISSIONS TO PURCHASE FREE OF TAXES AND IMPORT DUTIES. THIS BRINGS PRICE LOCALLY ASSEMBLED VEHICLES IN TOYOTA, HOLDEN, DATSUN, FORD FALCON CLASS FROM $9,000 DOWN TO $6,000 ON AVERAGE COMPARED WITH $3,000 IF IMPORTED IN BUILT-UP CONDITION. EMPLOYEES WITH OFFICIAL PASSPORTS TOTAL 150 IN US MISSION HERE. USAID HAS ARRANGED WITH GOI FOR LOANS TO USAID EMPLOYEES FROM TRUST FUNDS SUFFICIENT TO COVER DIFFERENCE BETWEEN COSTS OF IMPORTED AND LOCALLY ASSEMBLED VEHICLES. LOANS TO BE REPAID OUT OF SALES PRO-
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JAKART 15382 110907Z

CEEDS AT TIME OF DEPARTURE AND IN EVENT PROCEEDS NOT

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

SUFFICIENT TO RETIRE LOAN THE BALANCE WOULD BE FORGIVEN.
WITH 40 USAID EMPLOYEES COVERED UNDER THIS ARRANGEMENTS,
THE NUMBER NEEDING SIMILAR HELP IS REDUCED TO 110 OVER A
TWO-YEAR PERIOD.

3. IF YOUR ORGANIZATATION COULD LEND OUR US EMPLOYEES
ASSOCIATION $90,000, I WOULD PROPOSE SIMILAR LOAN ARRANGE-
MENTS FOR REMAINING EMPLOYEES, WITH PRIORITY AND/OR MAXI-
MUM LOAN OF $3,000 GIVEN TO THOSE IN LOWE PAY SCALES,
SUCH AS SECRETARIES, SCHOOL TEACHERS, ENLISTED PERSONNEL,
ETC., EXCEPT THAT FULL AMOUNT OF LOAN WOULD HAVE TO BE
REPAID TOGETHER WITH INTEREST YOUR ORGANIZATION WOULD REQUIRE.

4. OUR ORGANIZATION GUARANTEES FULL PAYMENT OF THE
$90,000 PLUS INTEREST. LOCALLY ASSEMBLED VEHICLES HAVE
BEEN SELLING A LITTLE ABOVE ORIGINAL PURCHASE PRICE BUT
WITH RECENT GOI CREDIT RESTRICTIONS A 10 PERCENT TO 20 PERCENT
DEPRECIATION IN FUTURE CAN BE EXPECTED. HOWEVER, DEPRECIATION
MAY BE OFFSET BY INABILITY OF LOCALLY ASSEMBLED OUTPUT
KEEPING UP WITH POST-BAN DEMAND (IN 1973 ONLY 17,000
VEHICLES WERE ASSEMBLED LOCALLY FOR A POPULATION OF
125,000,000). TO ASSURE SOLVENCY OF SCHEME AND BUILD'
UP OUR OWN REVOLVING FUND WE WOULD PLAN TO: (1) USE ANY
SURPLUS CASH IN OUR ORGANIZATION TO ADD TO LOAN FUND;
(2) ADD TO FUND BY LEANING ON DIPLOMATIC PASSPORT HOLDERS
(FOR LOANS OF $2000) ABLE UTILIZE NOMINAL COST SERVICES
OF LOCAL DEALERS WHO FINANCE, SELL, BUY BACK IMPORTED
VEHICLES FOR TWO YEAR PERIODS; AND (3) INVEST UNLOANED
FUNDS AT FAVORABLE INTEREST RATES CURRENTLY 18PERCENT
PER ANNUM ON DOLLAR INSTRUMENTS.

5. OUR OTHER EFFORTS SOLVE VEHICLE PROBLEM FOR NON-
DIPLOMATIC PASSPORT HOLDERS HAVE BEEN SCUTTLED. ATTEMPTS
TO INCREASE ISSUANCES DIPLOMATIC PASSPORTS WERE REJECTED
BY DEPARTMENT. IMPORTS IN NAME OF EMBASSY WERE STYMIED
BY GOI IMPOSING LIMITATION OF 10 VEHICLES EVERY THREE
YEARS WHICH WHOLLY INADEQUATE TO MAINTAIN OFFICIAL FLEET.
PVOS ARE ABSOLUTELY ESSENTIAL DUE TO LACK OF ADEQUATE
PUBLIC TRANSPORTATION.

UNCLASSIFIED

UNCLASSIFIED

6. MISSION WOULD GREATLY APPRECIATE CRA BOARD APPROVAL
OF $90,000 LOAN TO ASSIST WITH OUR DILEMMA. PLEAASE AD-
VISE IF ADDITIONAL INFORMATION NEEDED. TOUSSAINT

UNQTE NEWSOM

UNCLASSIFIED

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 11 MAR 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JAKART15382
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750360/aaaaccfj.tel
Line Count: 112
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: ONLY
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: woolflhd
Review Comment: n/a
Review Content Flags:
Review Date: 22 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 SEP 2003 by SilvaL0>; APPROVED <02 JAN 2004 by woolflhd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: n/a
To: SECSTATE WASHDC
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006